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FOREIGN CROPS and MARKETS

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L A T E C A B L E S

The Argentine Grain Board authorized by Government decree to sell corn for fuel as follows: ear corn to railway companies at points of origin at 20 pesos per metric ton (\$5.40 per short ton at official rate of exchange); ear corn to factories on cars at destination at 23 pesos (\$6.21); shelled corn to factories on cars at destination at 25 pesos per metric ton (\$6.75 per short ton).

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Japanese second official estimate 1940 rice crop 550 million bushels as compared with final official estimate for 1939 of 627 million bushels. (Some sources report that 1939 production may have been about 564 million bushels.)

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G R A I N S

AUSTRALIA ADOPTS NEW SCHEME
TO STABILIZE WHEAT GROWING . . .

Although the wheat situation appears somewhat less burdensome in Australia than in the other large exporting countries, the Commonwealth Government is reported by the press to have passed new legislation early in November in an effort to keep wheat production within reasonable limits and yet render assistance to the growers. A fixed price of 3s.6d. (about 56.5 cents) per bushel will be guaranteed, it is said, on an annual crop of not more than 140 million bushels, with free rail transportation to ports provided. If export prices advance beyond the price fixed, the first increase of 2d. (1.6 cents) will be added to the farmers' returns, but the next advance of 2d. will go to the Government to help defray the expense incurred under the wheat stabilization measure. Further increases will be shared equally by the farmers and the Government.

In return for the price guarantee, farmers must agree to seed the areas authorized by the Government, to cut for hay any fields designated for this purpose, and to market their wheat through the Government. No license to grow wheat will be issued to farmers who had no acreage under wheat when the legislation was passed. Furthermore, the Commonwealth Government will require the States to speed up measures for removing wheat from marginal lands and for diversifying production. Financial aid will be given for the latter purpose but will not be extended unless results justify it.

Although the acreage seeded to wheat for the 1940-41 crop is now estimated at 12,354,000 acres, or only 7 percent below that of 1939-40, production is not expected by the trade to exceed 100 million bushels. Dry weather has prevailed throughout the season in many of the producing States, and rainfall has been generally inadequate. Seeding was reduced in some districts, and a partial crop failure is anticipated over a large part of the total wheat area.

Production in New South Wales has been forecast at around 33 million bushels as compared with 76 million in 1939-40, and in Victoria a reduction of about 50 percent is anticipated. Declines in the other two important wheat States, South Australia and Western Australia, are placed at 39 and 33 percent, respectively.

Because of the drought situation in the four principal wheat-growing States, the Commonwealth Government has appropriated funds to be loaned to these States totaling nearly £2,800,000 (about \$9,000,000). The money will be used, it is said, to provide fodder where needed for livestock, to give aid to farmers who would not otherwise be able to remain on their holdings, and to assist with seeding and other farm operations for next year's crop.

AUSTRALIA: Acreage and production of wheat, by States
average 1933-34 to 1937-38, annual 1938-39 to 1940-41

State	Average 1933-34 to 1937-38	1938-39	1939-40	1940-41 <u>a/</u>
<u>Acreage</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>
New South Wales	4,155	4,651	4,392	-
Victoria	2,583	2,748	2,827	-
Queensland	270	442	361	-
South Australia	3,244	3,080	2,737	-
Western Australia	2,818	3,413	2,949	-
Tasmania	19	10	8	-
Australian Capital Territory ...	2	2	2	-
Total	13,091	14,346	13,276	12,354
<u>Production</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
New South Wales	53,066	59,898	76,551	-
Victoria	39,407	18,104	45,054	-
Queensland	3,379	8,584	6,585	-
South Australia	33,317	31,674	40,985	-
Western Australia	29,076	36,844	40,860	-
Tasmania	430	305	75	-
Australian Capital Territory ...	44	59	50	-
Total	158,719	155,368	210,160	<u>b/</u> 100,000

Compiled from official sources, except as noted.

a/ Not yet available by States. b/ Trade estimate.

SHANGHAI WHEAT AND
FLOUR MARKET DULL . . .

There was little activity in the Shanghai wheat market during the month ended November 16, according to the office of the American agricultural attaché at Shanghai. Arrivals of domestic wheat were negligible, and purchases small. The Japanese-owned mills occasionally bought small lots at 25.40 yuan per picul (68 cents per bushel at the current rate of exchange), while the Chinese mills were restricted by both the limited quantity of wheat available and the high price at which they were forced to purchase, quoted on November 16 at 31.45 yuan per picul (84 cents per bushel). The Shanghai flour situation was about the same as reported for the previous month, but less speculation was noted as a result of the improvement in the exchange rate and the expectation of large arrivals

of foreign wheat booked earlier this year. The ban against Japanese flour entering that part of the Shanghai Settlement under foreign control was still in force, and little movement of flour made by the Japanese mills was noted. Chinese mills were supplying about 10,000 bags daily. The price of standard-grade domestic flour for local delivery was 17.00 yuan (\$1.01) per bag on November 16; for outport shipment, it was 18.65 yuan (\$1.11) per bag. Little flour was needed for the latter purpose, however, since present supplies are reported to be large in North China.

Stocks of wheat and flour at Shanghai were low. The mills were permitted to operate at only about 20 percent of their normal capacity, but with the foreign flour already booked, they were able to cover domestic needs and requirements for outport shipment. Imports of wheat into China during September were over three times as large this year as last, the United States being the principal country of origin both years; but the total for the first quarter was less than a million bushels this year as compared with nearly 5 million in 1939. Flour imports were smaller both during September and in the first quarter of the marketing year.

CHINA: Imports of wheat and wheat flour, by countries
of origin, September 1940, with comparisons

Country of origin	September			July-September		
	1938	1939	1940	1938	1939	1940
	1,000	1,000	1,000	1,000	1,000	1,000
<u>Wheat</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
United States	0	133	396	-	2,291	396
Canada	0	-	-	-	-	-
Australia	0	-	-	-	2,448	362
Japan	0	-	-	-	-	-
Others	<u>a/</u>	-	100	<u>a/</u>	-	100
Total	<u>a/</u>	133	496	<u>a/</u>	4,739	858
	1,000	1,000	1,000	1,000	1,000	1,000
<u>Flour</u>	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>
United States	7	150	87	71	499	134
Canada	8	5	3	23	33	9
Australia	70	94	15	304	431	144
Japan	49	29	52	174	47	459
Others	2	2	-	4	9	6
Total	136	280	157	576	1,019	752

Office of the American agricultural attaché at Shanghai.

a/ Less than 500 bushels.

NORWAY REDUCES RATIONS
OF GRAIN PRODUCTS . . .

On September 30, 1940, rations of bread and flour were reduced in Norway by about one-sixth, according to information received in the Office of Foreign Agricultural Relations. The daily allowance formerly permitted of 250 grams (8.8 ounces) per person was reduced to 200 grams (7 ounces) in the case of the so-called hard bakery goods. The quantity of soft bakery products permitted each person was changed from 390 grams (13.8 ounces) to 325 grams (11.5 ounces). White flour and white bread, the purchase of which was formerly restricted to those persons having a doctor's certificate, may now be purchased each week in quantities of 100 grams (3.5 ounces) and 130 grams (4.6 ounces), respectively, per person. Such articles of food as macaroni, puffed rice, puffed oats, corn flakes, shredded wheat, and all kinds of crackers were classified as bread and flour products, of which crackers were designated as hard bakery goods.

In the place of 50 grams (1.8 ounces) of flour, purchases may be made of soft cakes, macaroons, and other confections weighing about 80 grams (2.8 ounces); or other types of pastry, such as coffee cakes, sweet white bread, Christmas bread, waffles, etc., weighing 65 grams (2.3 ounces). Freshly baked breads may no longer be sold; consumers must wait 12 hours after baking before purchases are permitted.

Cakes and breads may be served in restaurants to those persons only who have the customary bread and flour cards. Travelers or tourists who have no rationing cards are granted a special bread card, good for 3 days, which permits them to purchase bakery goods, sandwiches, and cakes, but no flour.

UNITED STATES CORN EXPORTS
INCREASED LAST SEASON BUT
CURRENT PROSPECTS UNFAVORABLE . . .

Exports of United States corn during the marketing year, October-September 1939-40, totaled almost 44 million bushels as compared with about 34 million in 1938-39 and 139.5 million bushels in 1937-38. Although more than 20 million bushels were destined during the past year for Canada, a large part of this was transshipped overseas, mostly to the United Kingdom. Exports direct to the United Kingdom were somewhat smaller than in the previous year, but Ireland took considerably more. In spite of the fact that the markets of continental Europe were closed during most of the year as a result of war conditions, the Netherlands and Denmark together imported more United States corn than in the previous year. Exports to Mexico totaled less than a million bushels, as in 1937-38, and were 44 percent below those of 1938-39.

UNITED STATES: Exports of corn by countries of destination,
October-September 1937-38 to 1939-40

Country	October-September		
	1937-38	1938-39	1939-40
	1,000 bushels	1,000 bushels	1,000 bushels
United Kingdom.....	27,865	11,287	9,517
Ireland.....	11,273	1,579	2,749
Netherlands.....	16,183	5,906	5,765
Denmark.....	2,783	125	3,330
Belgium.....	4,915	303	139
France.....	80	382	a/
Germany.....	13,389	120	0
Canada <u>b/</u>	58,316	11,845	20,346
Mexico.....	382	1,445	803
Brazil.....	263	a/	1
Others.....	3,013	828	1,295
Total.....	139,475	33,830	43,950

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Less than 500 bushels.

b/ Includes corn for reexport.

The 1940 corn crop is now estimated at 2,434 million bushels as compared with 2,619 million bushels produced in 1939 and the 10-year average, 1929-1938, of 2,299 million bushels. The acreage for harvest was placed about 3 percent below the 89 million acres reported for 1939 and 13 percent below the 1929-1938 average. Late plantings escaped frost damage and were harvested under favorable weather conditions, with the result that the average yield per acre of 28.2 bushels was the third highest in 17 years.

The carry-over of corn on October 1 was estimated at 701 million bushels, which with the November estimate of production brought the total supply available for the 1940-41 marketing year to 3,135 million bushels, or only 67 million bushels less than the comparable figure for last season. Under present world conditions, prospects for increased exports are not bright, and with domestic livestock numbers reduced, it appears likely that the carry-over on next October 1 will not be materially smaller. The United Kingdom is at present the only important export outlet, and even that market is not expected to take a large quantity of United States corn. For some time British policy has favored livestock reduction, especially of hogs and poultry, which directly affects the demand for corn. Argentina, with its large supply and low prices, is likely to supply most of the British requirements for corn this season.

SWEDEN CONTINUES LOW MILLING PERCENTAGE FOR DOMESTIC OATS . . .

By proclamation of September 27, 1940, the Swedish milling percentage for domestic oats used in making products for human consumption was continued at 25 percent for the period October 1, 1940, to March 31, 1941. Milling percentages applying to foreign and domestic oats were first established on June 1, 1933, and have been in force ever since. Sometimes the proportion of domestic oats permitted has been as high as 85 percent, but on April 1, 1940, it was reduced from 75 to 25 percent. At that time the inadequacy of Swedish supplies became apparent following the increased use of oats for feeding purposes, and the small harvest in 1940 made the continuation of the low percentage advisable. No import statistics are published at present, but under the trade agreement with the Soviet Union signed September 7, 1940, it was reported that about 700,000 bushels of oats were to be imported during the year, and private negotiations were under way for an additional million or more bushels from the same country.

GRAIN STATISTICS . . .

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries, as given by current trade sources, 1938-39 to 1940-41

Country	Total shipments		Shipments 1940 week ended			Shipments July 1-Nov. 16	
	1938-39	1939-40	Nov. 2	Nov. 9	Nov. 16	1939-40	1940-41
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America <u>a</u> /...	245,296	209,872	2,731	4,219	4,184	71,632	61,638
Argentina.....	114,272	173,776	1,538	2,306	1,065	65,603	43,495
Australia.....	103,116	<u>b</u> /	<u>b</u> /	<u>b</u> /	<u>b</u> /	c/11,028	<u>b</u> /
Soviet Union.....	39,824	-	-	-	-	2,000	-
Danube & Bulgaria <u>d</u> /	52,848	39,616	-	-	-	13,320	560
British India <u>a</u> /...	e/10,097	-	-	-	-	-	-
Total above.....	564,453					163,583	105,693
Total European <u>a</u> /..	450,784						
Total ex-European <u>a</u> /	143,760						

Compiled from official and trade sources.

a/ Broomhall's Corn Trade News.

b/ Not available.

c/ Through September 2 only.

d/ Black Sea shipments only; no figures for current weeks.

e/ Official.

**GRAINS: Weekly average closing price per bushel, future delivery
at leading markets, 1939-1940**

Week ended	Wheat						Corn					
	Chicago			Winnipeg			Buenos Aires			Chicago		
	1939			1940			1939			1940		
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High <u>a/</u>	88	89	69	66	56	59	55	63	56	31		
Low <u>a/</u>	82	78	64	65	50	46	50	56	54	23		
	December						November					
Oct. 19	85	85	66	65	52	46	50	60	54	25		
26	85	86	65	65	50	47	50	62	54	25		
Nov. 2	87	84	64	65	50	48	50	60	55	24		
9	88	87	64	65	52	52	50	61	55	23		
16	88	89	64	66	51	52	50	63	55	25		

Corn prices at Buenos Aires compiled from New York Journal of Commerce; all other prices from Chicago Daily Trade Bulletin.

a/ September 21 to November 16, 1940, and corresponding dates for 1939.

FEED GRAINS: Movement from principal exporting countries

Commodity and country	Yearly exports					Shipments, week ended <u>a/</u>		Exports so far reported	
	1938-39					Nov. 2		July 1 to	
	1939-40	Nov. 2	Nov. 9	Nov. 16	Nov. 16	to	b/	1939-40	1940-41
	1,000	1,000	1,000	1,000	1,000			1,000	1,000
BARLEY, EXPORTS: c/	bushels	bushels	bushels	bushels	bushels			bushels	bushels
United States.....	11,215	3,532				Sept. 30		1,651	312
Canada.....	16,537	13,338				Sept. 30		4,442	234
Argentina.....	9,356	18,623				Oct. 19		1,550	1,392
Danube & U.S.S.R.	26,005	4,297	0	0	0	Nov. 16		3,434	0
Total	63,113	39,795						11,077	1,938
OATS, EXPORTS: c/									
United States.....	5,106	1,429				Sept. 30		312	206
Canada	13,738	24,330				Sept. 30		3,836	3,916
Argentina	19,379	27,624	7	0	0	Nov. 16		8,062	593
Danube & U.S.S.R.	30	250	0	0	0	Nov. 16		40	0
Total	38,253	53,633						12,250	4,715
CORN, EXPORTS: d/						Oct. 1 to			
United States.....	34,369	44,406							
Danube & U.S.S.R.	19,629	5,304	0	0	0	Nov. 16		506	0
Argentina.....	142,869	87,766	855	95	642	Nov. 16		12,460	4,532
South Africa	25,991	15,499	0	0	0	Nov. 16		3,779	0
Total	222,858	152,975						16,745	4,532
CORN, IMPORTS:	Imports								
United States.....	442	1,110							

Compiled from official and trade sources.

a/ The weeks shown in these columns are nearest to the date shown. b/ Preliminary.

c/ Year beginning July 1. d/ Year beginning October 1.

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V E G E T A B L E O I L S A N D O I L S E E D S

USES OF TOBACCO SEED FOR OIL AND CAKE STUDIED BY INDIAN GOVERNMENT

The Indian Government has made a study of the possible utilization of tobacco seed for oil and cake, with some interesting developments, according to a report from American Consul Curtis C. Jordan at Madras. It is found that an acre of flue-cured tobacco grown in India yields about 200 pounds of seed. The total quantity of seed produced in Guntur, the principal flue-cured producing district, is about 20 million pounds annually, which would yield from 5 to 6 million pounds of oil.

The oil is reported to appear, small, and taste like sesame-seed oil. Mature tobacco seed does not generally contain the characteristic alkaloid nicotine, the essential principle for which the leaf is produced. Goats and sheep eat the seed freely and no adverse effects are reported. It is deemed necessary to have the oil and cake chemically examined in order to ascertain definitely if they are free from nicotine or other harmful substances and fit for human or animal consumption and how they compare with other edible oils and cake. The cake is to be examined for its value as a fertilizer in case it cannot be used as cattle feed. The oil is not as thick as sesame oil, it penetrates the tissues quicker, and, therefore, may prove useful in the manufacture of hair oils, glycerine, paints, varnishes, and soap. If it is found suitable for these purposes and the cake for cattle feed, the tobacco crop may bring an additional income of around \$7.50 per acre. Utilization of seed does not interfere with cultivation or harvest of the leaf for which the crop is grown. Due to the abundance of cheap labor in India, the expense of harvesting, threshing, and cleaning of the seed is only about 30 cents an acre, even when hired labor is used.

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YUGOSLAVIA AND BULGARIA TO INCREASE TOBACCO-SEED-OIL PRODUCTION

Due to the difficulty in obtaining adequate supplies of vegetable oil for both edible and industrial purposes, the Yugoslav and Bulgarian Governments are making efforts to promote the production of tobacco-seed oil. It is estimated that 33 million pounds of seed yielding 10 million pounds of oil could be produced annually in Yugoslavia, and the Bulgarian Government estimates the annual tobacco-seed production to be approximately 19 million pounds, from which 6 million pounds of oil could be extracted. The oil has been used for some years in Bulgaria, principally for edible purposes. It can also be used for making soap and for illumination.

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C O T T O N - O T H E R F I B E R S

CHINESE COTTON CROP

ESTIMATE INCREASED . . .

The 1940 cotton crop in China is now placed at 2,350,000 bales of 478 pounds compared with a previous estimate of 2,200,000 bales and the unusually small crop of 1,900,000 bales produced in 1939, according to a radiogram received from the office of the American agricultural attaché at Shanghai. The higher 1940 estimate was based largely on reports of favorable weather conditions over most of the cotton regions since June. Production in North China (including the Provinces of Hopei, Shantung, Shansi, and Honan) was estimated at 377,000 equivalent bales of 478 pounds, representing a slight decrease from the 1939 production. The decrease was attributed mainly to drought at planting time, low cotton prices fixed by Japanese officials, and a shift by Chinese farmers to the production of food crops.

In the coastal Provinces of Kiangsu and Chekiang, embracing the Shanghai area, production was estimated at 558,000 bales and an equal amount for the central Provinces of Hupeh, Hunan, and Anhwei - the central Yangtze Valley area. The Manchurian crop was estimated at 78,000 bales, while other parts of China, primarily the Chinese-controlled areas, accounted for about 780,000 bales. The location of the most important producing areas, as shown above, determines to a large extent the ultimate market destination of the current Chinese crop under wartime conditions.

The cotton situation at Shanghai showed some improvement in October, following recent curtailment of mill activity and consequent reduction of surplus stocks of cloth and yarn. The demand for both cloth and yarn became more active as Japanese restrictions on movement of goods to interior Chinese markets were apparently relaxed to some extent. At Shanghai, Japanese cotton mills were reported to be operating at 50 percent of capacity, Chinese at 95 percent, and British at 60 percent. In occupied areas of North China, mill operations were reported at 35 percent, in Central China at 50 percent, Manchuria 15 percent, and in unoccupied areas of the interior at 100 percent. Mills in the latter areas were reported to have added 150,000 spindles by November 15, bringing the total to about 450,000. Total mill consumption in China, including Manchuria, during October was estimated at 115,000 bales.

An estimate based on the current market conditions and outlook for the mill industry in China indicates that imports of raw cotton into China during 1940-41 (October-September) will total about 700,000 bales compared with 1,125,000 bales imported in 1939-40. Continued difficulty encountered in getting native cotton into Shanghai is expected to result in increased exports to Japan and the necessity for Shanghai mills to continue to import a greater part of their requirements. Indian and

Brazilian growths are relatively cheaper than American and are being purchased to the extent that shipping facilities will permit. Forward purchases of all cotton were estimated in early November at 80,000 bales, including 70,000 bales of Indian and 5,000 bales of American (California). Unsold stocks at Shanghai were estimated at 30,000 bales, 3,000 of which were American, 15,000 Chinese, and 6,000 bales of Indian.

CHINA a/: Imports of raw cotton, by countries of origin,
and total exports, September 1940, with comparisons
(In bales of 478 pounds net)

Country	September			Year ended September 30		
	1938	1939	1940	1937-38	1938-39	1939-40
	Bales	Bales	Bales	Bales	Bales	Bales
Imports -						
United States ..	531	3,696	4,884	9,377	99,149	441,076
British India ..	1,134	45,224	41,202	19,087	663,786	466,492
Egypt	774	1,604	92	5,547	33,765	36,772
Brazil	1,891	64,067	33,972	6,507	207,940	149,066
Others	0	2,381	2,429	1,296	15,912	31,654
Total	4,330	116,972	82,579	41,814	1,020,552	1,125,060
Exports	68,114	264	1,046	521,901	157,511	14,968

Compiled from Monthly Returns of the Foreign Trade of China.

a/ Does not include Manchuria.

Prices of American middling 7/8 inch quoted at Shanghai on November 11 were equivalent to 12.81 cents per pound compared with 8.67 cents for Indian Akola. These quotations represent an increase of about 59 points for American over those of October 11, while prices of Indian cotton showed practically no change. The resulting spread in prices of 4.14 cents per pound is somewhat greater than the normal spread of 1 to 3 cents and tends to encourage a preference for Indian cotton.

PRICE CONTROL IN LIVERPOOL

SPOT-COTTON MARKET

Following the establishment of maximum quotations in the American and Egyptian futures markets at Liverpool, the Cotton Controller decided that, as a corresponding measure, maximum "bases" should be established in the spot market. As a preliminary to this step, the Liverpool Cotton Association on November 6 announced that, temporarily and pending a more permanent regulation, the bases for all growths and qualities should not exceed those quoted on November 4. Final regulation for American and Egyptian was announced on November 11, and maximum bases were declared effective until further notice. These maxima considerably reduce

quotations previously in force. The reductions in the case of fair staple American ranged from 5 to 55 points, and reached up to 150 points in the case of Egyptian. It will be noted that since all futures contracts are concentrated in one month, at present March, the spot bases refer to that particular futures month, while normally they were quoted in reference to the current month.

MAXIMUM BASES FOR AMERICAN FAIR STAPLE, LIVERPOOL SPOT MARKET

<u>Grade</u>	<u>As from November 11, 1940</u>	<u>Previous Quotations</u>
Good ordinary	100 points off	45 points off
Strict good ordinary ..	50 " "	10 " "
Low middling	Pass	35 points on
Strict low middling ...	40 points on	65 " "
Middling	60 " "	75 " "
Strict middling	80 " "	85 " "
Good middling	95 " "	100 " "
Strict good middling ..	125 " "	140 " "

LIVERPOOL TURN-OVER CURTAILED . . .

During the week ended November 15, cotton futures at Liverpool were generally quiet with prices fluctuating within a ten-point range. Strength in American markets was said to have been offset by increased hedging against releases of "agreement" cotton. In the spot market, current sales were considerably reduced compared with previous weeks, totaling only about 25,000 bales as against around 50,000 bales in the weeks preceding. There was fair business in Congo and French Equatorial cottons for forward delivery, and moderate business continued in Egyptian and other African c.i.f.'s, despite 2 or 3 months' delay in the arrival of such cottons previously purchased. Manchester reports regarding the situation in yarns and fabrics continued to indicate small domestic sales, apart from Government orders. Export business remained unsatisfactory.

UGANDA COTTON CROP
MAY EXCEED LAST YEAR'S . . .

The area planted to cotton in Uganda (British East Africa) up to the end of July was estimated at 1,046,000 acres compared with 856,000 acres at the same date in 1939 and a final figure of 1,368,000 acres for 1939, according to a report received from American Vice Consul Waldo E. Bailey at Nairobi, Kenya. The planting season extends from May through August so that plantings at the end of July usually represent 70 to 75 percent of the total at the end of the season. The 1940 production is

expected to exceed last year's crop of 259,000 bales as a result of the increased acreage and favorable weather conditions reported for the cotton regions as a whole. The campaign for earlier planting and closer spacing has met with considerable success and is expected to increase the yield per acre to some extent.

Reports received from other sources indicate that a large portion of the Uganda crop will be sold in British India to replace American and other non-Empire growths virtually excluded from the Indian markets by the import restrictions announced on May 20, 1940.

BRITISH COTTON BUYING COMMISSION SET UP AT ALEXANDRIA

In accordance with the Anglo-Egyptian cotton agreement announced on August 7, 1940, a British cotton buying commission is already engaged at Alexandria in the purchasing, on a fixed-price schedule, of all Egyptian cotton and cottonseed offered to it before April 30, 1941, according to information received in the Office of Foreign Agricultural Relations. Purchases are made in the interior by Egyptian cotton firms, which in turn sell to the British buying commission at Alexandria. Prices for Sakel-laridis of fully good fair grade range from about 13.75 equivalent cents per pound for the shorter lengths to 21.66 cents for Extra Long Staple. The corresponding prices for Giza 7 and Ashmouni are 12.71 to 15.29 cents and 11.87 to 13.62 cents (extra medium staple Ashmouni), respectively.

Egyptian cotton exports during 1939-40 (August-July) totaled 1,639,000 bales compared with 1,763,000 in 1938-39 and 1,792,000 bales in 1937-38. Consumption at Alexandria during 1939-40 was estimated at 42,285 bales, while 78,845 bales were consumed in the interior.

EGYPT: Raw-cotton exports by countries, 1935-36 to 1939-40
(In bales of 478 pounds net)

Country	1935-36	1936-37	1937-38	1938-39	1939-40 a/
	: 1,000 bales	: 1,000 bales	: 1,000 bales	: 1,000 bales	: 1,000 bales
United Kingdom:	576	613	576	559	636
France	237	210	235	196	314
Japan	113	209	89	158	143
British India :	67	90	132	86	118
Italy	62	116	120	112	97
Germany	151	139	217	222	12
Others	479	451	423	430	319
Total	1,690	1,828	1,792	1,763	1,639
Compiled from Foreign Trade of Egypt. a/ Preliminary.					

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T O B A C C O

SOUTH AFRICAN TOBACCO GROWERS
WARNED AGAINST OVERPRODUCTION . . .

The Tobacco Industry Control Board, Union of South Africa, has addressed an urgent warning to growers of tobacco not to extend their planting to new areas because of the danger of overproduction, according to a report from Johannesburg. A record tobacco crop of 30.5 million pounds was reported for 1939, and reports from the 1940 harvest would indicate an even larger one. Up to the middle of September of this year, over 22 million pounds of the 1940 crop had been delivered by growers and it was then estimated that at least 9 million pounds remained in producers' hands. These figures compare with an average production of about 18 million pounds during the 5-year period ended in 1938.

The warning states that should next season's tobacco crop (planted fall of 1940, harvested spring of 1941) again be large, the Board would be compelled to prohibit the sale of lower grades. It is further held by the Control Board that growers can get a fair reward for their labor and capital only when the tobacco offered for sale does not exceed the market demand; and as the present world situation holds small prospect of an export market for leaf tobacco, growers may not profitably produce tobacco beyond the domestic consumption. The average consumption of tobacco in the Union during the past 3 years was in the neighborhood of 22.5 million pounds. Exports for the same period were not more than 0.3 million pounds, annually, sold principally to the United Kingdom.

Finally, the Control Board not only discourages new tobacco growers from entering the field, but recommends that present growers who are not able to produce tobacco of high quality, shall use their land for other crops.

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PLANS DISCUSSED FOR MARKETING
SMALLER SUMATRA TOBACCO CROP . . .

Preliminary estimates of the 1940 tobacco harvest in Sumatra place the production at about 22 million pounds, export weight, according to a recent report from Medan. The quality of the crop as a whole is said to be somewhat inferior to that of 1939 because of dry weather that prevailed during most of the growing season. The best available information indicates a 1939 crop of 28,000,000 pounds.

First shipments to the United States of American-type foot leaves were planned for November. Disposal of the remainder of the crop, about 19.8 million pounds, ordinarily sold over the auction floors of Amsterdam

and Rotterdam, is still undecided. The idea has been advanced of shipping the whole crop to the United States, where it may be stored and marketed from bonded warehouses of some American city. From the United States, efforts would be made to develop markets in South America. The United States climate is considered better than that of the Netherlands Indies for a long-time storage.

According to a representative of one of the large Sumatra producing companies, the 1941 crop will be restricted to about 19 million pounds, although the usual amount of foot leaves (about 2 or 3 million pounds) will be produced for the American buyers. This would be accomplished by restricting acreage only on the estates that do not yield crops suitable for the American market.

BRITISH AND AMERICAN TOBACCO
INTERESTS PROTEST CHANGE IN DUTY
RATES IN BRITISH MALAYA

The customs duty on manufactured tobacco (cut tobacco) imported into British Malaya (if not packed in retail containers) has been reduced from \$1.35 (63 United States cents) per pound to \$1.10 (52 United States cents) per pound, according to a report from Singapore. The new duty rates do not apply to cigars, cigarettes, and snuff, and there is no provision for preferential duty on tobacco of the specified class produced or manufactured within the British Empire. The reduction is effective in the Straits Settlements, Federated Malay States, Johore, Kedah, and Trengganu, and will presumably apply also to the remainder of the Unfederated Malay States.

Local representatives of British and American tobacco interests have protested the new regulation on the ground that the introduction of a tax differential between packaged and unpackaged tobacco handicaps British and American manufacturers, whose tobacco is all packaged for the retail trade and, therefore, not included in the tax reduction. They state, further, that the new customs rates give preference to the tobacco manufacturers of Thailand, Sumatra, and China, the principal suppliers of manufactured tobacco in the bulk. Had the duty remained the same on both classifications, larger quantities of lower-grade American and British tobacco would have been consumed in British Malaya.

It is understood, however, that the reduction in duty rates was designed to provide a means of relief to the low-income native population by reducing taxes on the tobacco chiefly consumed by them. Meanwhile, the Government revenue is maintained through the increased duties on other tobacco products.

F R U I T S, V E G E T A B L E S, A N D N U T SARGENTINE FRUIT EXPORTS REDUCED
SHARPLY IN 1940 SEASON

Exports of fresh fruit from Argentina during the 1940 season, January through September, were substantially below those of the previous year, according to statistics released by the Argentine Ministry of Agriculture. Shipments of fresh pears dropped 55 percent, apples were reduced by nearly 60 percent, and grapes declined about 33 percent. The reduced exports were due to: (1) effect of the war in curtailing European purchases; (2) abnormally short crops of all these fruits due to late spring frosts and a shortage of water for irrigation of grape vineyards; and (3) in the case of grapes, presence of an insect causing Argentine inspectors to be especially severe in approving grapes for export to the United States, the most important market.

ARGENTINA: Exports of pears, apples, and grapes,
1939 season and January to September 1940

Fruit and country	1939	Jan.-Sept. 1940	Increase (+) or decrease (-)
	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>
<u>Pears</u>			
Belgium	37,025	8,150	-28,875
Brazil	239,131	214,366	-24,765
United States	96,831	262,458	+ 165,627
France	320,370	1	-320,369
Netherlands	121,416	28,958	-92,458
United Kingdom	331,332	50,060	-281,272
Sweden	217,782	41,200	-176,582
Others	52,286	35,047	-18,239
Total	1,417,173	640,240	-776,933
<u>Apples</u>			
Germany	201,887	0	-201,887
Brazil	90,617	125,502	+34,885
Sweden	62,476	11,508	-50,968
United Kingdom	56,672	32,167	-24,505
Netherlands	55,706	13,078	-42,628
Others	125,790	61,008	-64,782
Total	593,148	243,263	-349,885
<u>Grapes</u>			
United States	553,082	420,256	-132,826
Brazil	228,919	176,113	-52,806
Sweden	128,511	8,737	-119,774
Others	111,376	78,321	-33,543
Total	1,022,376	683,427	-338,949

Boletín Informativo, Argentine Ministry of Agriculture.

HEAVIER DOMESTIC SHIPMENTS OF APPLES FROM BRITISH COLUMBIA; EXPORTS LESS . . .

Total apple movement from British Columbia for the current season to November 2 amounted to 2,082,000 boxes, compared with 2,293,000 boxes shipped in the 1939-40 season, according to statistics of the British Columbia Fruit Board. Domestic shipments increased more than 300,000 boxes over the previous season's total, being the heaviest volume moved in Canada for the past five seasons, which can be attributed to the short 1940 crop in eastern Canada. Exports, on the other hand, were only about half the volume of the previous season and were only about one-third of the pre-war volume, 1936-37 to 1938-39. The unsold balance is below that of last year but substantially above the preceding 3-year average.

BRITISH COLUMBIA: Disposition of apple crop to November 2, 1940, with comparisons

Season to November 2	Estimated available supply	Domestic shipments	Exports	To canneries	Total shipments	Balance unsold
	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>
1936	4,188,663	1,488,043	1,254,346	68,542	2,810,931	1,377,732
1937.....	5,410,819	1,379,775	1,473,641	65,919	2,919,335	2,491,484
1938.....	5,765,835	1,222,432	1,833,224	61,288	3,111,944	2,653,891
1939.....	5,871,252	1,112,017	1,150,107	30,387	2,292,511	3,578,741
1940.....	5,260,777	1,489,983	575,898	16,113	2,081,994	3,178,783

British Columbia Fruit Board Circular, November 8, 1940.

Export shipments to November 2 totaled 576,000 boxes compared with the previous 4-year average of 1,427,000 boxes. The reduced volume of exports is due to the fact that the United Kingdom, which normally takes the bulk of shipments, has bought no apples this season. The United States has been the most important market this year, taking 63 percent of total exports, followed by South American countries with 27 percent.

BRITISH COLUMBIA: Exports of apples by varieties and countries, to November 2, 1940

Variety	South Africa	South America	United States	Others	Total
	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>	<u>Boxes</u>
Wealthy	0	0	750	710	1,460
McIntosh ...	10,925	10	21,025	3,100	35,060
Jonathan ...	16,765	0	244,654	0	261,419
Delicious ..	750	154,235	96,532	10,910	262,427
Winesap	1,150	0	0	3,097	4,247
Newtown	1,635	0	0	7,347	8,982
Others	0	0	2,250	0	2,250
Total	31,225	154,245	365,211	25,217	575,898

British Columbia Fruit Board Circular, November 8, 1940.

Thus far, the entire crop of early varieties, chiefly Wealthy and Duchess, has been disposed of, the bulk of shipments going to the domestic market. Nearly half of the important McIntosh crop has been marketed, and the remaining 1,241,000 boxes are expected to be sold chiefly in the domestic market, since this variety is very popular in Canada. The major portion of the Jonathan crop has been disposed of, with exports to the United States particularly heavy. About 402,000 boxes of Delicious remain unsold. Exports of Delicious to South America and the United States have been unusually heavy this season. The remaining stocks are expected to be marketed chiefly in eastern Canada.

BRITISH COLUMBIA: Disposition of 1940 apple crop, by varieties and uses to November 2, 1940

Variety	Estimated available supply	Domestic shipments	Exports	To canneries	Total shipments	Balance unsold
	Boxes	Boxes	Boxes	Boxes	Boxes	Boxes
Wealthy	301,744	300,284	1,460	0	301,744	0
McIntosh	2,030,349	753,938	35,060	0	788,998	1,241,351
Jonathan	671,043	93,608	261,419	14,817	369,874	247,169
Delicious	773,730	108,901	262,427	0	371,328	402,402
Romes	270,777	22,042	0	0	22,042	248,735
Stayman	96,468	2,673	0	0	2,673	93,795
Winesap	296,166	3,508	4,247	0	7,755	288,411
Newtown	467,721	5,445	8,982	0	14,427	453,294
Others	352,779	199,564	2,303	1,296	203,153	204,626
Total	5,260,777	1,489,983	575,898	16,113	2,081,994	3,179,783

British Columbia Fruit Board Circular, November 8, 1940.

LIGHTER LIME CROP

EXPECTED IN MEXICO . . .

The 1940 Mexican lime crop may run about 20 to 25 percent under that of last year, according to a report from American Agricultural Attaché L. D. Mallory at Mexico City. The reduced crop, despite some increase in the number of bearing trees, is due to the general shortage and the poor distribution of rainfall in commercial areas. The 1939 crop was the heaviest on record, totaling 897,000 boxes, compared with the average for the 5 years, 1932-1936 of 590,300 boxes. Exports to the United States, which have been expanding in recent years, will not be directly affected by the crop, since the chief factor in this movement is the demand condition in this country. Supplies will be sufficient to maintain the previous level of exports during the coming year.

Mexico has become the most important producer of limes in the Western Hemisphere and second only to Egypt as the largest producing country in the world. Production has risen rapidly in recent years. Since

1927, bearing-tree numbers have increased from 494,910 to 802,585 in 1939, while production in 1939 was over twice the average crop in the 4 years, 1927-1930. Although lime production is fairly widespread in Mexico, the States of Colima and Michoacan on the Pacific Coast are the areas of concentrated production. Scattered production is located on the Gulf Coast from the State of Tamaulipas on the north around to the State of Yucatan. Practically the entire movement to the United States originates in the Pacific Coast producing areas.

The bulk of exports to the United States now moves by truck to land points of entry in the United States rather than by boat. Nuevo Laredo, Piedras Negras, Ciudad Jaurez, and Nogales are the principal land points of export, while the bulk of sea shipments moves through Manzanillo, Acapulco, Veracruz, and Matamoros.

Limes are used widely in Mexico, and local requirements are filled by small plantings scattered through the country. Production in the two commercial areas supplies the demand in large cities and for export. As the following table indicates, bearing-tree numbers, production, and exports have risen sharply in recent years. Field reports indicate a large number of young nonbearing trees, and the upward trend in bearing trees and production is expected to be sustained.

MEXICO: Production and exports of limes,
average 1927-1931, annual 1932-1939

Year	Bearing trees	Production	Fresh exports a/	Percentage exported
	Number	Boxes	Boxes	Percent
Average 1927-1931	529,552	429,138	b/	-
1932	715,831	609,456	b/	-
1933	664,706	548,714	b/	-
1934	684,046	538,419	b/	-
1935	683,861	628,246	b/	-
1936	675,480	626,704	132,723	21
Average 1932-1936...	685,795	590,308	-	-
1937	672,083	580,178	141,886	24
1938	725,650	698,916	114,639	16
1939	802,585	897,620	80,790	10

American Embassy, Mexico City. Boxes of 76 pounds.

a/ November to October year. b/ Not available.

Practically the entire export movement of fresh limes moves to the United States. The volume is determined by demand conditions in this country rather than by production. The months of heaviest shipment are during the summer, though limes are shipped throughout the year. Peak harvesting of cultivated limes occurs during the summer, while wild limes

mature in the winter months, thereby permitting a 12-month movement. Mexico is the most important source of supply of United States lime imports, as shown in the following table. The decline in United States imports in the past two seasons is largely due to heavier production in this country.

UNITED STATES: Imports of fresh limes by countries,
July to June, average 1926-27 to 1930-31, 1931-32
to 1935-36, annual 1936-37 to 1938-39

Country	Average		Annual			
	1926-27 to 1930-31	1931-32 to 1935-36	1936-37	1937-38	1938-39	1939-40
	Boxes	Boxes	Boxes	Boxes	Boxes	Boxes
Mexico	29,703	75,691	139,344	126,426	104,930	110,362
Dominica, B.W.I.	34,458	11,718	7,084	6,592	6,239	7,614
Jamaica, B.W.I.	5,347	5,694	9,278	5,844	3,462	3,354
Cuba	40	644	4,613	2,163	1,370	2,107
Trinidad, B.W.I.	123	1,345	1,855	761	363	0
St. Lucia, B.W.I.	2,892	8,079	5,108	3,019	1,252	885
Dominican Republic	667	499	999	929	567	96
Honduras	8	193	9	3	4,329	28
Haiti	3	119	211	390	0	27
Others	516	2,857	757	235	37	27
Total	77,757	106,839	169,258	146,362	122,549	124,500

Compiled from records of the Bureau of Entomology and Plant Quarantine.
Boxes of 76 pounds.

UNITED STATES: Imports of lime oil,
1931-1939
(In 1,000 pounds)

Country	1931	1932	1933	1934	1935	1936	1937	1938	1939
United Kingdom	7	3	4	9	11	7	16	3	7
Other Europe	2	1	1	1	2	2	4	5	5
Total Europe	9	4	5	10	13	9	20	8	12
Mexico	2	2	5	3	24	21	39	37	33
Jamaica	1	1	3	1	3	2	1	9	10
Trinidad and Tobago	8	5	10	16	11	11	41	18	52
Other British West Indies ..	19	25	17	16	11	9	16	14	25
Others	4	2	1	1	2	1	1	4	2
Total	43	39	41	47	64	53	118	90	134

Compiled from official records, Bureau of Foreign and Domestic Commerce.

The bulk of the production of Mexican lime oil is in the State of Colima. Most of the oil is distilled, since only one firm is in a position to produce cold-pressed oil. The limes used for oil consist of fruit unsuitable for commercial shipment, comprising culls, fruit too large or too small for the market, and damaged stocks. The effect of the expected short crop will not be felt in the processing industry for several months, and the volume of production is expected to remain for some time at a normal level. Practically the entire export of lime oil moves to the United States. According to United States import data, Mexican shipments account for between one-fourth and one-third of total imports of the product.

YUGOSLAV WALNUT ESTIMATE

BELOW LAST YEAR

The 1940 preliminary estimate of walnut production in Yugoslavia is 80,000 bags of 110 pounds, unshelled basis, as compared with an estimated production of 116,600 bags (revised) in 1939 and 160,000 in 1938. The estimate is about 58 percent below the recent 5-year average (1934-1938) of 139,000 bags.

The severe winter of 1939-40 and the unusually cold and wet weather in the spring, which continued to the middle of July, did considerable damage. Budding was greatly retarded and fertilization was hindered, resulting in an extremely light set. The quality of the new crop is below that of recent years. A large percentage of the nuts are reported as being wormy, unripe, and damp.

The exportable surplus is estimated at 10,000 bags from the 1940 crop and in addition there are 15,000 bags of 1939 nuts still available for export. Practically the entire lot is expected to be sold to Germany at a fairly good price level.

EXPORTS OF SPANISH ALMONDS TO THE UNITED STATES PLACED UNDER EMBARGO . . .

The Spanish Government Agency "Rama" has placed an embargo on the exportation of almonds to the United States, effective November 16, 1940. It is understood that about 312 tons awaiting shipment at present will not be exported. The bulk of the shipments affected by the embargo are at Alicante, Almeria, and Malaga. No shipments of Spanish almonds are expected to be made to the United States this season.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

UNITED STATES IMPORTS OF CATTLE AND BEEF DECLINE: PRODUCTION AND PRICES INCREASE

Cattle and beef imports into the United States on a dressed-weight basis, declined 27 percent in the first 9 months of 1940, below the comparable period of 1939, but federally inspected slaughter increased more than enough to offset this decrease. At the same time, beef-cattle prices were higher, largely as a result of increased consumer demand for meats.

United States imports of cattle and beef, converted to a dressed-weight basis, amounted to only 259 million pounds in the first 9 months of 1940, 125 million pounds of which represented beef-cattle imports from Canada and Mexico, and the remainder imports of beef, principally canned beef, from South America. The farm price of beef cattle in the United States averaged \$7.15 per 100 pounds in the first 9 months of 1940, against \$6.86 per 100 pounds a year earlier. The higher average price of beef cattle this year is attributed by the Bureau of Agricultural Economics to increased consumer demand rather than to any other factor.

UNITED STATES: Imports of cattle and beef, domestic slaughter, and farm price, 1930-1939, and January-September 1939 and 1940

Year	Imports a/ Dressed-weight basis					Federally inspected slaughter of cattle and calves, dressed wt. basis b/	Percent imports are of inspected slaughter	Average farm price per 100 pounds of beef cattle
	Cattle (duti- able)	Cattle (duti- able)	Canned beef	Other beef	Total cattle and beef			
	Number	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent	Dollars
1930.....	226,273	49,697	140,263	19,459	209,419	4,704,316	4.5	7.46
1931.....	85,570	17,797	48,965	3,494	70,256	4,751,470	1.5	5.31
1932.....	95,407	19,200	61,598	1,697	82,495	4,394,048	1.9	4.07
1933.....	63,329	9,829	103,360	970	114,159	5,045,914	2.3	5.63
1934.....	57,679	11,091	116,685	1,149	128,925	5,602,186	2.3	3.88
1935.....	364,623	105,009	190,658	10,248	305,915	5,167,023	5.9	6.21
1936.....	399,113	127,075	219,509	6,200	352,784	5,969,908	5.9	5.85
1937.....	494,946	153,600	220,243	6,592	380,435	5,374,285	7.1	6.96
1938.....	424,300	124,338	196,493	3,239	330,064	5,379,425	6.1	6.28
1939 c/..	753,570	220,818	214,657	4,617	440,092	5,362,515	8.2	6.87
Jan.-Sept								
1939 c/	604,015	174,961	174,119	3,582	352,662	3,945,773	8.9	6.86
1940 c/	470,891	125,413	127,004	7,009	259,426	4,055,199	6.4	7.15

Compiled from official sources. a/ Imports for consumption. b/ Average 69 percent of estimated total slaughter. c/ Preliminary.

Cattle imports smaller

Imports of dutiable cattle in the first 9 months of the year, exclusive of a small number of dairy cattle, amounted to 464,000 head and were 22 percent, or 134,000 head, fewer than in 1939. Approximately 80 percent of the total consisted of stocker and feeder cattle in the 200- to 699-pound weight class paying the full duty of 2.5 cents per pound. Almost all of these cattle were from Mexico. Most of the entries this fall and winter from Mexico are expected to fall within this class.

The price of stocker and feeder steers at Kansas City averaged \$8.54 per 100 pounds in the first 9 months of 1940 against \$8.45 in 1939. The September 1940 average price was \$8.50, or 28 cents per 100 pounds above September 1939, and \$1.14 above September 1938; October prices were even higher.

UNITED STATES: Dutiable-cattle imports from Canada, Mexico, and total, by weight classes, 1935-1939, and January-September 1939 and 1940

Country and year	700 pounds and over			Under 700 pounds			Total dutiable cattle
	Dairy	Others	Total	Under 175 pounds ^a	175 to 699 pounds ^b	Total	
	Number	Number	Number	Number	Number	Number	Number
<u>Canada</u>							
1935.....	c/	c/	59,930	c/	c/	52,790	112,720
1936.....	6,686	136,533	143,219	55,695	35,149	90,844	234,063
1937.....	6,723	157,468	164,191	80,792	50,355	131,147	295,338
1938.....	7,442	75,529	82,971	45,645	9,147	54,802	137,773
1939 <u>d</u> /...	8,570	172,753	181,323	81,832	11,229	93,061	274,384
Jan.-Sept.							
1939 <u>d</u> /	6,427	137,180	143,607	73,799	7,831	81,630	225,237
1940 <u>d</u> /	6,919	87,716	94,635	68,960	6,730	75,690	170,325
<u>Mexico</u>							
1935.....	c/	c/	8,622	c/	c/	242,468	251,090
1936.....	0	22,190	22,190	1,615	140,241	141,856	164,046
1937.....	0	24,792	24,792	1,259	172,717	173,976	198,768
1938.....	0	49,740	49,740	2,062	233,752	235,814	285,554
1939 <u>d</u> /...	0	55,232	55,232	33,259	390,074	423,333	478,565
Jan.-Sept.							
1939 <u>d</u> /	0	44,562	44,562	30,810	303,870	333,880	378,442
1940 <u>d</u> /	0	30,839	30,839	28,382	241,333	269,715	200,554

Continued -

L I V E S T O C K A N D A N I M A L P R O D U C T SUNITED STATES IMPORTS OF CATTLE
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UNITED STATES: Imports of cattle and beef, domestic slaughter,
and farm price, 1930-1939, and January-September 1939 and 1940

Year	Cattle (duti- able)	Imports a/ Dressed-weight basis				Federally inspected slaughter of cattle and calves, dressed wt. basis b/	Percent imports are of inspected slaughter	Average farm price per 100 pounds of beef cattle
		Cattle (duti- able)	Canned beef	Other beef	Total cattle and beef			
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1930.....	226,273	49,697	140,263	19,459	209,419	4,704,316	4.5	7.46
1931.....	85,570	17,797	48,965	3,494	70,256	4,751,470	1.5	5.31
1932.....	95,407	19,200	61,598	1,697	82,495	4,394,048	1.9	4.07
1933.....	63,329	9,829	103,360	970	114,159	5,045,914	2.3	3.63
1934.....	57,679	11,091	116,685	1,149	128,925	5,602,186	2.3	3.88
1935.....	364,623	105,009	190,658	10,248	305,915	5,167,023	5.9	6.21
1936.....	399,113	127,075	219,509	6,200	352,784	5,969,908	5.9	5.85
1937.....	494,946	153,600	220,243	6,592	380,435	5,374,285	7.1	6.96
1938.....	424,300	124,338	196,493	3,239	330,064	5,379,425	6.1	6.28
1939 c/..	753,570	220,818	214,657	4,617	440,092	5,362,515	8.2	6.87
Jan.-Sept								
1939 c/	604,015	174,961	174,119	3,582	352,662	3,945,773	8.9	6.86
1940 c/	470,891	125,413	127,004	7,009	259,426	4,055,199	6.4	7.15

Compiled from official sources. a/ Imports for consumption. b/ Average 69 percent of estimated total slaughter. c/ Preliminary.

Cattle imports smaller

Imports of dutiable cattle in the first 9 months of the year, exclusive of a small number of dairy cattle, amounted to 464,000 head and were 22 percent, or 134,000 head, fewer than in 1939. Approximately 80 percent of the total consisted of stocker and feeder cattle in the 200- to 699-pound weight class paying the full duty of 2.5 cents per pound. Almost all of these cattle were from Mexico. Most of the entries this fall and winter from Mexico are expected to fall within this class.

The price of stocker and feeder steers at Kansas City averaged \$8.54 per 100 pounds in the first 9 months of 1940 against \$8.45 in 1939. The September 1940 average price was \$8.50, or 28 cents per 100 pounds above September 1939, and \$1.14 above September 1938; October prices were even higher.

UNITED STATES: Dutiable-cattle imports from Canada, Mexico, and total, by weight classes, 1935-1939, and January-September 1939 and 1940

Country and year	700 pounds and over			Under 700 pounds			Total dutiable cattle
	Dairy	Others	Total	Under 175 pounds ^a	175 to 699 pounds ^b	Total	
	Number	Number	Number	Number	Number	Number	Number
<u>Canada</u>							
1935.....	c/	c/	59,930	c/	c/	52,790	112,720
1936.....	6,686	136,533	143,219	55,695	35,149	90,844	234,063
1937.....	6,723	157,468	164,191	80,792	50,355	131,147	295,338
1938.....	7,442	75,529	82,971	45,645	9,147	54,802	137,773
1939 <u>d</u> /...	8,570	172,753	181,323	81,832	11,229	93,061	274,384
Jan.-Sept.							
1939 <u>d</u> /	6,427	137,180	143,607	73,799	7,831	81,630	225,237
1940 <u>d</u> /	6,919	87,716	94,635	68,960	6,730	75,690	170,325
<u>Mexico</u>							
1935.....	c/	c/	8,622	c/	c/	242,468	251,090
1936.....	0	22,190	22,190	1,615	140,241	141,856	164,046
1937.....	0	24,792	24,792	1,259	172,717	173,976	198,768
1938.....	0	49,740	49,740	2,062	233,752	235,814	285,554
1939 <u>d</u> /...	0	55,232	55,232	33,259	390,074	423,333	478,565
Jan.-Sept.							
1939 <u>d</u> /	0	44,562	44,562	30,810	303,870	333,880	378,442
1940 <u>d</u> /	0	30,839	30,839	28,382	241,333	269,715	200,554

Continued -

UNITED STATES: Dutiable-cattle imports from Canada, Mexico,
and total, by weight classes, 1935-1939,
and January-September 1939 and 1940
- Continued

Country and year	700 pounds and over			Under 700 pounds			Total dutiable cattle
	Dairy	Others	Total	Under 175 pounds ^a	175 to 699 pounds ^b	Total	
	Number	Number	Number	Number	Number	Number	Number
<u>Total e/</u>							
1935.....	<u>c/</u>	<u>c/</u>	68,573	<u>c/</u>	<u>c/</u>	296,050	364,623
1936.....	6,689	158,873	165,562	57,314	176,237	233,551	399,113
1937.....	6,724	182,333	189,057	82,052	223,837	305,889	494,946
1938.....	7,446	125,315	132,761	47,708	243,553	291,261	424,022
1939 ^d /....	8,606	228,001	236,607	116,216	401,747	516,963	753,570
Jan.-Sept.							
1939 <u>d/</u>	6,460	181,748	188,208	104,610	311,197	415,807	604,015
1940 <u>d/</u>	6,924	118,556	125,480	97,342	248,069	345,411	470,891

Compiled from records of the Bureau of Foreign and Domestic Commerce.
^a/ Changed to "under 200 pounds" January 1, 1939, in second agreement
with Canada. ^b/ 200 to 699 pounds as of January 1, 1939. ^c/ Not so
classified prior to January 1, 1936. ^d/ Preliminary. ^e/ Includes a few
head from countries other than Canada and Mexico.

Imports of heavy cattle of 700 pounds and over, excluding dairy cattle, amounted to 119,000 head in the first 9 months of 1940 and were 35 percent smaller than in the same period a year earlier. So far this year, entries of this weight class from Canada have not exceeded the quarterly quota of 51,720 allotted to that country by the President's Proclamation of November 30, 1939, and therefore the entry of 87,716 in the first 9 months paid the reduced duty of 1.5 cents per pound. Only 15,526 of the regular quarterly quota for the last quarter of 1940 had been received by November 2, leaving a total of 36,194 still permitted entry at the reduced rate.

The smaller imports from Canada this year may be attributed to the higher level of prices in Canada since the beginning of the war, brought about by smaller total supplies and increased consumer demand. Imports from Mexico amounted to 30,839 head in the first 9 months of 1940 and about filled the quota of 31,050 allotted to countries other than Canada. This left only 211 to be entered at the reduced rate from that country for the remainder of 1940. The nonquota duty rate for cattle of that weight class is 3 cents per pound.

Imports of calves under 200 pounds from all sources amounted to 97,000 in the first 9 months of 1940 and were 7 percent smaller than a

year earlier. This weight cattle is subject to an annual quota from all countries of 100,000 at the reduced rate. Entries in excess of this number must pay the regular duty of 2.5 cents per pound. More of this weight class comes from Canada than from Mexico.

Canned beef imports decline

Imports of canned beef into the United States in the first 9 months of 1940, amounted to 51 million pounds, which was a decrease of 27 percent as compared with the comparable period of 1939. The largest decrease was in imports from Uruguay, which totaled only 5 million pounds for the 9-month period of 1940, compared with 23 million pounds a year earlier.

CANNED BEEF: Imports into the United States, January-September, 1939 and 1940

Country of shipment	1939	1940
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Argentina	28,051	24,362
Uruguay	22,690	5,354
Brazil	14,020	17,224
Paraguay	4,860	3,856
Total all countries a/	69,656	50,802

Compiled from records, Bureau of Foreign and Domestic Commerce.

a/ Includes imports from other countries.

IRISH DAIRY PRODUCTION REDUCED BY DROUGHT . . .

The dairy industry in Ireland has been seriously affected by the long drought, which lasted all summer, according to a report from Consul Francis E. Styles, stationed at Dublin. Milk and butter production have been reduced and the prices have been increased. Supplies are still adequate for all purposes, however, and there is no question of rationing butter in Ireland at present. Butter production in Ireland for the year ended May 31, 1938, amounted to 136 million pounds, 86 million pounds of which was creamery butter and 50 million pounds farm produced. Creamery-butter production in Ireland in the 5 years, 1934-1938, averaged 89 million pounds, with farm-produced butter amounting to around 50 million pounds. Exports of Irish butter to Great Britain averaged 46 million pounds for the same 5 years, or 90 percent of the total exported from Ireland.

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G E N E R A L A N D M I S C E L L A N E O U S

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average values in New York of specified currencies,
November 16, 1940, with comparisons a/

Country	Monetary unit	Year 1939	Month				Week ended		
			1938	1939	1940		November		
			Oct.	Oct.	Sept.	Oct.	2	9	16
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina...	Paper peso	30.85	31.79	29.77	29.77	29.77	29.77	29.77	29.77
Australia b/	Pound	353.38	379.89	319.51	321.47	321.29	321.41	321.60	321.68
Canada b/	Dollar	96.02	99.06	89.33	85.47	86.32	85.73	86.84	86.97
China.....	Shag. yuan	11.88	16.03	7.64	5.21	5.68	5.94	5.94	5.82
England b/	Pound	443.54	476.85	401.05	403.42	403.25	403.36	403.59	403.67
France.....	Franc	2.51	2.67	2.27	c/	c/	c/	c/	c/
Germany.....	Reichsmark	40.06	40.05	40.09	39.93	39.98	39.98	39.99	39.98
Italy.....	Lira	5.20	5.26	5.05	5.04	5.04	5.04	5.04	5.04
Japan.....	Yen	25.96	27.79	23.51	23.44	23.44	23.44	23.44	23.44
Mexico.....	Peso	19.30	19.66	20.15	19.94	20.33	20.38	20.39	20.40
Sweden.....	Krona	23.99	24.56	23.79	23.81	23.81	23.81	23.82	23.82
Switzerland	Franc	22.52	22.72	22.43	22.78	23.15	23.21	23.20	23.20

Federal Reserve Board.

a/ Noon buying rates for cable transfers. Denmark, the Netherlands, and Norway have been omitted, as rates are not at present available. The last average monthly quotations were: Denmark, March, 19.31 cents; the Netherlands, April, 53.08 cents; and Norway, April, 22.71 cents.

b/ In addition to the free rate there is also a fixed official buying rate: Australia 322.80; Canada 90.91; and England 403.50 cents.

c/ Not available.

d/ Revised.

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